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**MAYOR DE BLASIO, SPEAKER MARK-VIVERITO, COUNCIL MEMBER  
GARODNICK ANNOUNCE CHANGES TO COMMERCIAL RENT TAX TO PROVIDE  
RELIEF FOR SMALL BUSINESSES**

*Changes include adding an income threshold to ensure help reaches those who need it most*

**NEW YORK**—Mayor Bill de Blasio, Speaker Melissa Mark-Viverito and Council Member Dan Garodnick today announced a new bill that would make changes to the Commercial Rent Tax (CRT) aimed at helping New York City’s small businesses succeed. Effective July 1, 2018, the threshold for Manhattan’s CRT for businesses with income up to \$5 million will increase from \$250,000 to \$500,000 annual rent, with the benefit provided on a sliding scale for businesses with income between \$5 million and \$10 million or paying \$500,000 to \$550,000 in rent. In total, the move reduces taxes for 2,700 small businesses, including 1,800 that will no longer pay the tax at all. Under this move, the average business owner will receive between \$11,300 and \$13,000 in annual tax relief. This represents the first change to the CRT since 2001 and specifically targets Manhattan’s mom-and-pop shops and small businesses with 99 percent of the benefit going to businesses with only one or two taxable locations. The bill was voted on earlier in the day by the City Council and will be signed by the mayor in the coming weeks.

“Small businesses are the lifeblood of this city,” said **Mayor de Blasio**. “That’s why we designed the bill to ensure that they’re the ones we’re helping. The Commercial Rent Tax in its previous form is outdated and we’re proud to make the first changes in over a decade to bring relief to thousands of small businesses.”

“Manhattan’s small business owners have had to make too many sacrifices just to keep their livelihoods open. Intro 799-B would alleviate the financial burden of having to pay a rent tax on top of having to pay the rent itself for the borough’s businesses. Despite vast changes in the Manhattan real estate market and economic landscape over the last 15 years, the commercial rent tax has not been updated to reflect the realities on the ground. So this legislation reflects a long overdue step to provide relief to those businesses who have been struggling for far too long,” said **Speaker Melissa Mark-Viverito**. “I thank my colleague, Economic Development Chair Daniel Garodnick, for his leadership on this issue and advocating for our small businesses.”

“With storefront vacancies soaring and retail in crisis, the City Council is today taking a crucial step to support Manhattan’s small businesses,” said **Council Member Dan Garodnick**. “For the first time since 2001, we are reforming the unfair, commercial rent tax. By doing so, we are throwing a lifeline to businesses that make our neighborhoods special and provide jobs to New Yorkers from all five boroughs. This relief could not come soon enough and I join the 41 other co-sponsors of this legislation in thanking Mayor de Blasio and Speaker Mark-Viverito for their support.”

Currently, the CRT is paid by commercial tenants below 96th Street and above Murray Street in Manhattan who pay \$250,000 or more in annual rent. The effective tax rate is 3.9 percent and has, for years, imposed an additional operating expense on small businesses, regardless of their income. For some small businesses, what they have owed in CRT has at times amounted to more than their net annual income, putting a serious strain on their finances. This change in tax policy is an effort to alleviate that strain and help New York City’s small businesses thrive. The total cost to the City is \$36.8 million in Fiscal Year 2019.

This effort has received strong community support from elected officials representing Manhattan at the federal, state and local level, as well as various commercial and real estate organizations including the Partnership for NYC, the Citizens Budget Commission, Chinatown Partnership, the local Business Improvement Districts and the Manhattan Chamber of Commerce.

“We have heard your complaints, and we are pleased that the City is providing commercial-rent-tax relief to Manhattan-based small businesses that are the anchor of our local economy,” said **Commissioner of Finance Jacques Jiha**.

“Over 230,000 vibrant small businesses across the boroughs are the driving force behind our local economy,” said **Gregg Bishop, Commissioner of the NYC Department of Small Business Services**. “The tax reform for small businesses announced today will go a long way toward helping mom and pop shops to thrive and grow.”

“Thanks to the work by the Mayor and the City Council, this reform to the Commercial Rent Tax will bring much needed relief to small businesses in Manhattan, and help our communities regrow the vibrant diversity of stores that has helped to define New York for generations,” said **U.S. Representative Jerrold Nadler**. “Small businesses are vital to the health of our neighborhoods, enrich our communities and provide important services residents depend upon, but right now too many storefronts sit vacant because of the high cost of doing business. This reform will help individual store owners compete in one of the most intense real estate markets in the world.”

“I am thrilled that the city is taking this much-needed action to help our small businesses,” said **U.S. Representative Carolyn B. Maloney**. “Thanks to Council Member Garodnick, Speaker Mark-Viverito and Mayor de Blasio, small business owners straining under the burden of the commercial rent tax will receive thousands in annual tax relief. Empty storefronts below 96th Street show how costly this tax has become as it has not been indexed to reflect rising rents or inflation and is impacting businesses it was never intended to reach. Our mom-and-pop

businesses are the backbone of our neighborhoods, and I am glad that the city is taking steps to help them thrive.”

"Small businesses are a vital part of the fabric of our city and the communities we call home. Given the many challenges faced by small businesses, especially in the high-rent neighborhoods of Manhattan, these long-overdue reforms to the commercial rent tax will be a much-needed helping hand. I thank Council Member Garodnick for his leadership on this issue, and Mayor de Blasio and Speaker Mark-Viverito for getting this bill across the finish line," said **State Senator Liz Krueger**.

"Anyone who spends significant time in Manhattan knows that the mom-and-pop shops that used to characterize our neighborhoods are disappearing," said **State Senator Marisol Alcántara**. "Whole city blocks are being swallowed up by national chains and luxury apartment buildings, endangering the historic character and communal spaces of our neighborhoods. This decision by the Mayor's office is a welcome change, especially since it targets small businesses for tax relief. I look forward to working with the Mayor's office to protect our small businesses."

"Small businesses are the backbone of the city's economy and employ millions of New Yorkers," said **Assembly Member Dan Quart**. "Unfortunately, high rents and the growth of big-box stores are making it almost impossible to keep their doors open. We must do everything we can to support our small businesses, not overburden them with unfair taxes like the commercial rent tax. I applaud Council Member Garodnick, City Council Speaker Melissa Mark-Viverito, and all other advocates for their dedication to reforming this outdated tax and helping our mom-and-pop stores thrive."

**Assembly Member Deborah Glick** said, "I am so happy that the City has significantly adjusted the Commercial Rent Tax for small businesses in Manhattan. This is an essential step towards alleviating the strain on small businesses, and allowing them to remain in communities. While there is still much work to be done in order to create livable neighborhoods, altering the CRT will begin the process of creating a more vibrant and equitable City in the future. I want to especially thank Councilmember Garodnick for his leadership on this issue as well as Speaker Mark-Viverito and Mayor de Blasio."

"Every day I hear from constituents who are concerned about independent local businesses being pushed out of our community. The Commercial Rent Tax has been an added burden for small businesses struggling to survive in the heart of Manhattan, below 96th Street. These businesses have become an ATM for the rest of the city. But now, after a long, hard fight, businesses paying less than \$500,000 in annual rent will finally be excluded from the CRT. I want to thank Council Member Dan Garodnick for his incredible leadership on this issue. It has been an honor to work alongside him as we fight for small businesses in Manhattan who are so critical to our local economy. And a special thank you to Council Member Johnson and the rest of the New York City Council, Mayor de Blasio, our borough president, and state elected officials for making today's victory possible. This was a true collaborative effort involving several levels of government," said **Council Member Helen Rosenthal**.

“Unlike Republican lawmakers in the federal government, here in New York City, we are willing to offer tax relief to those small business owners who really need it,” said **Council Member Julissa Ferreras-Copeland, Chair of the Committee on Finance**. “I’m very proud of co-sponsoring Intro 799-B, a legislation that will create a new Commercial Rent Tax credit for small businesses. I believe in the importance of providing tax credits to help small businesses grow and prosper, which in return helps grow our local economy and creates job opportunities for New Yorkers. I would like to thank Council Member Daniel Garodnick and Speaker Melissa Mark Viverito for their leadership on this piece of legislation.”

"Small businesses drive the unique character and vitality of neighborhoods in Lower Manhattan and across the City, and today, we are taking decisive action to protect them," said **Council Member Margaret S. Chin**. "For far too long, mom and pop businesses have had to pay the costly Commercial Rent Tax while footing hundreds of thousands of dollars in rent -- becoming steps closer to closing their doors for good. Today's legislation would provide desperately-needed relief for small business owners and a real shot for their businesses not just to survive, but to succeed and thrive. I thank Speaker Melissa Mark-Viverito, Council Member Dan Garodnick and all the small businesses owners and advocates who have worked to bring reform to this antiquated tax."

"As Chair of the Council's Committee on Small Business, I have had the opportunity over the past four years to hear from and work daily with amazing small business owners from all neighborhoods of this city. Without question, the number one concern facing New York's small business owners is the increasing cost of operating a business here in New York City, particularly the cost of renting commercial space. Today's passage of Int. 799 will provide countless Manhattan small business owners real relief from the burden of the Commercial Rent Tax, therein reducing their cost of doing business here in NYC. I commend Council Member Garodnick for his tireless effort in advocating for these small business owners and for shepherding this significant reform into law," said **Council Member Robert Cornegy**.

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